


- CASE 10246: Application of Conoco Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Burger B-20 Well No. 4 to be drilled 2200 feet from the North line and 2450 feet from the West line (Unit F) of Section 20, Township 20 South, Range 38 East, Warren-McKee Pool. The SE/4 NW/4 of said Section 20 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for said pool. Said unit is located approximately 8.5 miles north of Eunice, New Mexico.
- CASE 10247: Application of Meridian Oil Inc. for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 1140 feet from the South line and 330 feet from the East line (Unit P) of Section 3, Township 19 South, Range 30 East. The SE/4 SE/4 of said Section 3 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools to the base of the Grayburg formation spaced on 40-acre oil spacing and proration units, which presently includes but is not necessarily limited to the Undesignated Shugart Pool and Undesignated North Benson Queen Grayburg Pool. Said unit is located approximately 9.5 miles south by east of Loco Hills, New Mexico.
- CASE 10248: Application of Pitts Energy Co. for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 1500 feet from the South line and 1650 feet from the East line (Unit J) of Section 5, Township 12 South, Range 38 East, the NW/4 SE/4 of said Section 5 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing from the surface to the base of the Devonian formation, which presently includes but is not necessarily limited to the Gladiola-Wolfcamp Pool, Undesignated Gladiola-Mississippian Pool, and Gladiola-Devonian Pool. Said unit is located approximately 5 miles northeast of Gladiola, New Mexico.
- CASE 10249: Application of Pacific Enterprises Oil Company (USA) for a non-standard gas proration unit and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the current Special Rules and Regulations for the McMillan-Morrow Gas Pool, as promulgated by Division Order No. R-2917, as amended, and to establish a non-standard 320-acre gas spacing and proration unit comprising the S/2 of Section 18, Township 20 South, Range 27 East, to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 18. Said unit is located approximately 9.5 miles south of the Old Illinois Camp.
- CASE 10250: Application of Pacific Enterprises Oil Company (USA) for the rescission of special pool rules and for two non-standard 640-acre gas proration units or, in the alternative, to amend Division Order No. R-2917, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of the Special Rules and Regulations for the spacing and location of wells in the McMillan-Morrow Gas Pool, comprising Sections 13 and 24, Township 20 South, Range 26 East and Sections 7, 18, and 19, Township 20 South, Range 27 East, and seeks to have said pool governed by the provisions of General Rule 104.C.II(a) for gas pools of Pennsylvanian age. Further, the applicant requests the concomitant creation of two non-standard 640-acre gas spacing and proration units for the McMillan-Morrow Gas Pool in Section 13, Township 20 South, Range 26 East, for the existing Yates Drilling Company Pecos River Deep Unit located in Unit H of said Section 13 and in Section 19, Township 20 South, Range 27 East, for the existing Presidio Exploration Inc. State "I" Com Well No. 1 located in Unit F of Section 19, Township 20 South, Range 27 East. IN THE ALTERNATIVE, the applicant seeks to amend the current Rules and Regulations for said McMillan-Morrow Gas Pool, as promulgated by Division Order No. R-2917, as amended, to permit the optional drilling of an additional well on each 640-acre proration unit. Said pool is located approximately 5 miles south-southeast of Lakewood, New Mexico.
- CASE 10226: (Continued from February 7, 1991, Examiner Hearing.)
- Application of Bird Creek Resources for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the East Loving-Delaware Pool including a provision for a limiting gas-oil ratio of 5000 cubic feet of gas per barrel of oil. Said pool is located in Township 23 South, Range 28 East, being approximately 2 miles east of Loving, New Mexico.
- CASE 10227: (Continued from February 7, 1991, Examiner Hearing.)
- Application of Nearburg Producing Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 29, Township 18 South, Range 25 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing which presently includes, but is not necessarily limited to, the Undesignated Penasco Draw San Andres-Yeso Associated Pool, Undesignated Penasco Draw-Permo Pennsylvanian Gas Pool, Undesignated Penasco Draw-Atoka Gas Pool, and Penasco Draw-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles west of Dayton, New Mexico.
-  (Continued from February 7, 1991, Examiner Hearing.)
- Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ellenburger formation, underlying the S/2 of Section 32, Township 20 South, Range 37 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, said unit to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the costs of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in the drilling of said well. Said unit is located approximately 2 miles north-northwest of Oil Center, New Mexico.

Dockets Nos. 7-91 and 8-91 are tentatively set for March 7, 1991 and March 21, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 21, 1991

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO**

The following cases will be heard before David R. Catanach, Examiner, or Jim Morrow or Michael E. Stogner, Alternate Examiners:

CASE 9582: (Reopened)

In the matter of Case 9582 being reopened pursuant to the provisions of Division Order No. R-8872, which order promulgated special rules and regulations for the Hat Mesa-Bone Spring Pool in Lea County, New Mexico, including provisions for 80-acre spacing and proration units and designated well location requirements. Operators in said pool may appear and show cause why the temporary rules for the Hat Mesa-Bone Spring Pool should not be rescinded.

CASE 10241: Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location in the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool to be drilled 560 feet from the South and East lines (Unit P) of Section 9, Township 20 South, Range 24 East, the E/2 of said Section 9 to be dedicated to said well forming a standard oil or gas spacing and proration unit. Said unit is located approximately 10 miles west of Seven Rivers, New Mexico.

CASE 10242: Application of Yates Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the SW/4 SE/4 (Unit O) of Section 1, Township 18 South, Range 31 East, forming a 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing, which presently includes but is not necessarily limited to the Undesignated Shugart Pool, Undesignated Maljamar Pool, Undesignated Tamano-San Andres Pool, and Undesignated North Shugart-San Andres Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles southwest by south of Maljamar, New Mexico.

CASE 10243: Application of Yates Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the NE/4 SW/4 (Unit K) of Section 1, Township 18 South, Range 31 East, forming a 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing, which presently includes but is not necessarily limited to the Undesignated Shugart Pool and North Shugart-San Andres Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles southwest by south of Maljamar, New Mexico.

CASE 10244: Application of Newbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 14, Township 17 South, Range 26 East and in the following manner: the N/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Kennedy Farms-Upper Pennsylvanian Gas Pool, Undesignated Kennedy Farms-Atoka Gas Pool, Undesignated Riverside-Atoka Gas Pool, and Undesignated Kennedy Farms-Morrow Gas Pool; the NW/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 160-acre gas spacing; and the SW/4 NW/4 of Section 14 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre oil spacing. Said units are to be dedicated to its Haldeman Well No. 1 to be drilled at a previously approved unorthodox Morrow gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 14 (Division Order No. R-9417). Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2.5 miles east of Artesia, New Mexico.

CASE 10141: (Readvertised)

Application of Samuel Gary Jr. and Associates, Inc. for a gas reinjection/pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a gas reinjection/pressure maintenance project in its San Isidro (Shallow) Unit Area located in Townships 20 and 21 North, Ranges 2 and 3 West, by the injection of gas into the Rio Puerco-Mancos Oil Pool through the perforated interval from approximately 3691 feet to 4127 feet in its San Isidro 13 Well No. 11 located 1980 feet from the South and West lines (Unit K) of Section 13, Township 20 South, Range 3 West. Said project area is located approximately 5 to 13 miles west-southwest of Cuba, New Mexico.

CASE 10245: Application of Conoco Inc. for pool creation, special pool rules, and contraction of the Blinbry Oil and Gas and Warren-Tubb Gas Pools, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil and gas pool for Blinbry and Tubb production comprising all or portions of Sections 22, 26, 27, 33, 34, and 35, Township 20 South, Range 38 East, to be designated the Warren Blinbry-Tubb Oil and Gas Pool, and the promulgation of special pool rules therefor, including a provision to allow for simultaneous dedication of pool acreage to both oil and gas wells, special gas allowable considerations, and any other provisions deemed necessary for such a pool. Applicant also seeks the concomitant contraction of the Blinbry Oil and Gas Pool and the Warren-Tubb Gas Pool and the creation of a new gas pool for Tubb production comprising the SE/4 of Section 23, SW/4 of Section 24, W/2 of Section 25 and the NW/4 of Section 36, Township 20 South, Range 38 East. Said area is located approximately 10 miles south of Hobbs, New Mexico.

Dockets Nos. 5-91 and 6-91 are tentatively set for February 21, 1991 and March 7, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 7, 1991

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Michael E. Stogner, Examiner, or David R. Catanach or Jim Morrow, Alternate Examiners:

CASE 10226: Application of Bird Creek Resources for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the East Loving-Delaware Pool including a provision for a limiting gas-oil ratio of 5000 cubic feet of gas per barrel of oil. Said pool is located in Township 23 South, Range 28 East, being approximately 2 miles east of Loving, New Mexico.

CASE 10227: Application of Nearburg Producing Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 29, Township 18 South, Range 25 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing which presently includes, but is not necessarily limited to, the Undesignated Penasco Draw San Andres-Yeso Associated Pool, Undesignated Penasco Draw-Permo Pennsylvanian Gas Pool, Undesignated Penasco Draw-Atoka Gas Pool, and Penasco Draw-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles west of Dayton, New Mexico.

CASE 10228: Application of Tahoe Energy, Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the S/2 SE/4 and SE/4 SW/4 of Section 10 and the NE/4 NW/4 of Section 15, both in Township 25 South, Range 37 East, Jalmat Gas Pool, said unit to be dedicated to a well to be drilled at a standard gas well location thereon. Said unit is located approximately 2 miles east-northeast of Jal, New Mexico.

CASE 10229: Application of Tahoe Energy, Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the NE/4 of Section 15, Township 25 South, Range 37 East, Jalmat Gas Pool, said unit to be dedicated to a well to be drilled at a standard gas well location thereon. Said unit is located approximately 2.25 miles east-northeast of Jal, New Mexico.

CASE 10230: Application of Tahoe Energy, Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the W/2 NE/4 of Section 22, Township 25 South, Range 37 East, Jalmat Gas Pool, said unit to be dedicated to a well to be drilled at a standard gas well location thereon. Said unit is located approximately 2 miles east of Jal, New Mexico.

~~CASE 10155-~~ (Continued from January 10, 1991, Examiner Hearing.)

Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ellenburger formation, underlying the S/2 of Section 32, Township 20 South, Range 37 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, said unit to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the costs of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in the drilling of said well. Said unit is located approximately 2 miles north-northwest of Oil Center, New Mexico.

CASE 10231: (This case will be dismissed.)

Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the SW/4 NW/4 (Unit E) of Section 12, Township 18 South, Range 31 East, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre oil spacing which presently includes, but is not necessarily limited to the Undesignated North Shurgart-San Andres Pool and Shugart Yates-Seven Rivers-Queen-Grayburg Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2.75 miles south-southwest of New Mexico State Highway No. 529 at the Lea/Eddy County line.

CASE 10232: (This case will be dismissed.)

Application of Bannon Energy, Inc. for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Mesa 25 Well No. 2A to be drilled 2416 feet from the South line and 287 feet from the East line (Unit I) of Section 25, Township 24 North, Range 7 West, Escrito-Gallup Associated Pool. The N/2 SE/4 of said Section 25 is to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is located approximately 4 miles north-northeast of the Sunterra Gas Processing Co. Lybrook Plant.

CASE 10196: (Continued from January 10, 1991, Examiner Hearing.)

Application of Merrion Oil & Gas Corporation for a horizontal directional drilling pilot project, special operating rules therefor, non-standard oil spacing and proration unit, and an unorthodox oil well location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the formation of an 80-acre non-standard oil spacing and proration unit in the Undesignated Ojo Encino-Entrada Oil Pool comprising the W/2 NE/4 of Section 28, Township 20 North, Range 5 West, for the purpose of initiating a horizontal directional drilling pilot project. The applicant proposes to drill at a non-standard surface location 750 feet from the North line and 2450 feet from the East line (Unit B) of said Section 28, penetrate the Entrada formation whereby the zone will be evaluated to determine the proper direction for a horizontal extension. Applicant further seeks special rules and provisions within the pilot project area including the designation of a prescribed area limiting the horizontal displacement of the wellbore to a target window described as a rectangle 1320 feet wide and 1200 feet long, the northern side of which is located 550 feet from the North line of said Section 28, with the western side formed by the half section line of Section 28. Also to be considered will be special allowable provisions for a double sized proration unit for this pool. This area is located approximately 8.25 miles northwest by west of Torreon (Sandoval), New Mexico.

CASE 10190: (Readvertised)

Application of McKay Oil Corporation for a horizontal directional drilling pilot project and special operating rules therefor, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling pilot project in the SW/4 of Section 6, Township 5 South, Range 22 East, being a standard 160-acre gas spacing and proration unit in the Wildcat Abo Gas Pool. The applicant proposes to utilize its West Fork Federal Well No. 10 to be drilled at a surface location 1980 feet from the South and West lines (Unit K) of said Section 6 to a depth of approximately 3400 feet, kick off from vertical in an undetermined direction with a short radius curve building angle to 90 degrees and continue drilling horizontally for approximately 500 feet. Applicant further seeks special rules and provisions within the pilot project area including the designation of a prescribed area limiting the horizontal displacement of the wellbore such that the well can be no closer than 300 feet to the outer boundary of its assigned spacing and proration unit. Said project is located approximately 5 miles south of Mesa, New Mexico.

CASE 10141: (Continued from January 24, 1991, Examiner Hearing.)

Application of Samuel Gary Jr. & Associates, Inc. for a gas reinjection/pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a gas reinjection/pressure maintenance project in its San Isidro (Shallow) Unit Area located in Townships 20 and 21 North, Ranges 2 and 3 West, by the injection of gas into the Rio Puerco-Mancos Oil Pool through the open hole interval from approximately 3793 feet to 4188 feet in its San Isidro 11 Well No. 16 located 660 feet from the South line and 630 feet from the East line (Unit P) of Section 11, Township 20 North, Range 3 West. Said project area is located approximately 5 to 13 miles west-southwest of Cuba, New Mexico.

CASE 10233: Application of Mobil Exploration & Producing Company for approval of salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the South Vacuum Devonian Pool, in the open hole interval from approximately 11,800 feet to 13,970 feet in its State Section 27 Well No. 1 located 660 feet from the North line and 1983 feet from the East line (Unit B) of Section 27, Township 18 South, Range 35 East. Said well is located approximately 5 miles east of the old Hobbs Army Air Corps Auxiliary Airfield No. 4.

CASE 10202: (Readvertised)

Application of Seay Exploration, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the following described acreage and in the following manner: Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 6, Township 20 South, Range 39 East, forming a 160.12-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 160-acre spacing, which presently includes but is not necessarily limited to the House-Yates Seven Rivers Gas Pool and the SW/4 NE/4 of said Section 6 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing, which presently includes but is not necessarily limited to the House-San Andres, Undesignated House-Blinberry and House-Drinkard Pools. Said units are to be dedicated to a single well to be drilled at a standard location in the SW/4 NE/4 (Unit G) of said Section 6. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles east-southeast of the community of Nadine, New Mexico.

CASE 10234: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ordovician formation underlying the following described acreage in Section 29, Township 9 South, Range 25 East, and in the following manner: the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Four Ranch-PrePermian Gas Pool and Undesignated East Bitter Lakes-Wolfcamp Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the South Pecos Slope-Abo Gas Pool; and the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any

CASE 10156: (Continued from December 19, 1990, Examiner Hearing.)

Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ellenburger formation, underlying the S/2 of Section 32, Township 20 South, Range 37 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, said unit be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in the drilling of said well. Said unit is located approximately 2 miles north-northwest of Oil Center, New Mexico.

CASE 10201: Application of Blackwood & Nichols Co. a Limited Partnership for directional drilling and an unorthodox coal gas well location, Rio Arriba and San Juan Counties, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Northeast Blanco Unit Well No. 475 from a proposed surface location 2560 feet from the South line and 1695 feet from the West line (Unit K) of Section 20, Township 30 North, Range 7 West, in such a manner as to bottom the well in the Basin-Fruitland Coal (Gas) Pool within 50 feet of a point 1750 feet from the North line and 54 feet from the East line (Unit H) of adjoining Section 19, which is an unorthodox coal well location for said pool. The E/2 equivalent of said Section 19 which is in both Rio Arriba and San Juan Counties is to be dedicated to said well forming a standard 320-acre, more or less, gas spacing and proration unit for said pool. Said unit is located 1/4 mile east of the Navajo Reservoir Dam.

CASE 10154: (Continued from December 19, 1990, Examiner Hearing.)

Application of Greenhill Petroleum Corporation for waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Lovington San Andres Unit Waterflood Project, Lovington-San Juan Andres Pool, located in Townships 16 and 17 South, Ranges 36 and 37 East, by converting 18 producing wells into water injection wells. Said project area is located approximately 6 miles south-southeast of Lovington, New Mexico.

CASE 10202: Application of Seay Exploration, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to be base of the Abo formation underlying the following described acreage and in the following described manner: Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 6, Township 20 South, Range 39 East, forming a 160.12-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 160-acre spacing, which presently includes but is not necessarily limited to the House-Yates Seven Rivers Gas Pool and the SW/4 NE/4 of said Section 6 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing, which presently includes but is not necessarily limited to the House-San Andres, Undesignated House-Blinbry and House-Drinkard Pools. Said units are to be dedicated to a single well to be drilled at a standard location in the SW/4 NE/4 (Unit G) of said Section 6. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles east-southeast of the community of Nadine, New Mexico.

CASE 10203: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 14, Township 19 South, Range 24 East, to test both the Undesignated Penasco Draw-Permo Pennsylvanian Gas Pool and Boyd-Morrow Gas Pool, the N/2 of said Section 14 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for both zones. The proposed well site is located approximately 14.5 miles southeast of Hope, New Mexico.

CASE 10204: Application of Yates Petroleum Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the Morrow, Mississippian, Devonian and Ellenburger formations in the perforated interval from approximately 8,925 feet to 11,150 feet in its Mimosa "AHS" Federal Well No. 1 located 1980 feet from the South line and 810 feet from the East line (Unit I) of Section 4, Township 20 South, Range 24 East. Said well is located approximately 9.5 miles west of Seven Rivers, New Mexico.

CASE 10175: (Continued from December 19, 1990, Examiner Hearing.)

Application of Maralex Resources, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its Hammond W. N. Federal Well No. 11 to be drilled 205 feet from the North line and 130 feet from the East line (Unit A) of Section 34, Township 27 North, Range 8 West, Basin-Fruitland Coal Gas Pool, the E/2 of said Section 34 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 7 miles east of Huerfano Peak.

CASE 10190: (Continued from December 19, 1990, Examiner Hearing.)

Application of McKay Oil Corporation for a horizontal directional drilling pilot project and special operating rules therefor, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling pilot project in the SW/4 of Section 6, Township 5 South, Range 22 East, being a standard 160-acre gas spacing and proration unit in the Wildcat Abo Gas Pool. The applicant proposes to utilize its West Fork Federal Well No. 10 to be drilled at a surface location 1980 feet from the South and West lines (Unit K) of said Section 6 to a depth of approximately 3400 feet, kick off from vertical in an undetermined direction with a short radius curve building angle to 90 degrees and continue drilling horizontally for approximately 500 feet. Applicant further seeks special rules and provisions within the pilot project area including the designation of a prescribed area limiting the horizontal displacement of the wellbore such that the well can be no closer than 660 feet to the outer boundary of its assigned spacing and proration unit. Said project is located approximately 5 miles south of Mesa, New Mexico.

CASE 10205: Application of McKay Oil Corporation for a horizontal directional drilling project and special operating rules therefor, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling project in the SE/4 of Section 32 Township 4 South, Range 22 East, being a standard 160-acre gas spacing and proration unit in the Undesignated North Pecos Slope-Abo Gas Pool. The applicant proposes to utilize its West Fork Federal Unit Well No. 3 to be drilled at a surface location 1980 feet from the South and East lines (Unit J) of said Section 32 to a depth of approximately 3400 feet, kick off from vertical in an undetermined direction with a short radius curve building angle to 90 degrees and continue drilling horizontally for approximately 500 feet. Applicant further seeks special rules and provisions within the project area including the designation of a prescribed area limiting the horizontal displacement of the wellbore such that the well can be no closer than 660 feet to the outer boundary of its assigned spacing and proration unit. Said project is located approximately 3 miles west of the junction of U.S. Highway No. 285 and New Mexico State Road No. 20.

CASE 10206: Application of McKay Oil Corporation for a horizontal directional drilling project and special operating rules therefor, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling project in the NE/4 of Section 32, Township 4 South, Range 22 East, being a standard 160-acre gas spacing and proration unit in the Undesignated North Pecos Slope-Abo Gas Pool. The applicant proposes to utilize its West Fork Unit Well No. 6 to be drilled at a surface location 1650 feet from the North and East lines (Unit G) of said Section 32 to a depth of approximately 3400 feet, kick off from vertical in an undetermined direction with a short radius curve building angle to 90 degrees and continue drilling horizontally for approximately 500 feet. Applicant further seeks special rules and provisions within the project area including the designation of a prescribed area limiting the horizontal displacement of the wellbore such that the well can be no closer than 660 feet to the outer boundary of its assigned spacing and proration unit. Said project is located approximately 3 miles west of the junction of U.S. Highway No. 285 and New Mexico State Road No. 20.

CASE 10207: Application of McKay Oil Corporation for a horizontal directional drilling project and special operating rules therefor, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling project in the SW/4 of Section 32, Township 4 South, Range 22 East, being a standard 160-acre gas spacing and proration unit in the Undesignated North Pecos Slope-Abo Gas Pool. The applicant proposes to utilize its West Fork Unit Well No. 4 to be drilled at a surface location 1650 feet from the South and West lines (Unit K) of said Section 32 to a depth of approximately 3400 feet, kick off from vertical in an undetermined direction with a short radius curve building angle to 90 degrees and continue drilling horizontally for approximately 500 feet. Applicant further seeks special rules and provisions within the project area including the designation of a prescribed area limiting the horizontal displacement of the wellbore such that the well can be no closer than 660 feet to the outer boundary of its assigned spacing and proration unit. Said project is located approximately 3 miles west of the junction of U.S. Highway No. 285 and New Mexico State Road No. 20.

CASE 10208: Application of McKay Oil Corporation for a horizontal directional drilling project and special operating rules therefor, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling project in the NE/4 of Section 25, Township 5 South, Range 21 East, being a standard 160-acre gas spacing and proration unit in the Undesignated West Pecos Slope-Abo Gas Pool. The applicant proposes to utilize its West Fork Federal Unit Well No. 5 to be drilled at a non-standard surface location 660 feet from the North line and 460 feet from the East line (Unit A) of said Section 25 to a depth of approximately 3400 feet, kick off from vertical in an undetermined direction with a short radius curve building angle to 90 degrees and continue drilling horizontally for approximately 500 feet. Applicant further seeks special rules and provisions within the project area including the designation of a prescribed area limiting the horizontal displacement of the wellbore such that the well can be no closer than 330 feet to the outer boundary of its assigned spacing and proration unit. Said project is located approximately 7 miles southwest of the junction of U.S. Highway No. 285 and New Mexico State Road No. 20.

CASE 10141: (Continued from December 19, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. & Associates, Inc. for a gas reinjection/pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a gas reinjection/pressure maintenance project in its San Isidro (Shallow) Unit Area located in Townships 20 and 21 North, Ranges 2 and 3 West, by the injection of gas into the Rio Puerco-Mancos Oil Pool through the open hole interval from approximately 3793 feet to 4188 feet in its San Isidro 11 Well No. 16 located 660 feet from the South line and 630 feet from the East line (Unit P) of Section 11, Township 20 North, Range 3 West. Said project area is located approximately 5 to 13 miles west-southwest of Cuba, New Mexico.

CASE 10156: (Continued from November 28, 1990, Examiner Hearing.)

Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ellenburger formation, underlying the S/2 of Section 32, Township 20 South, Range 37 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, said unit be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in the drilling of said well. Said unit is located approximately 2 miles north-northwest of Oil Center, New Mexico.

CASE 10180: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from a depth of approximately 3595 feet to the base of the Delaware formation underlying the NW/4 SW/4 of Section 12, Township 18 South, Range 31 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated East Shugart-Delaware Pool, said unit to be dedicated to the West Taylor "12" Well No. 1 to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7.5 miles southwest of Maljamar, New Mexico.

CASE 10181: Application of Tahoe Energy, Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the E/2 E/2 of Section 3, Township 25 South, Range 37 East, Jalmat Gas Pool, said unit to be dedicated to its White Cloud Well No. 1 to be drilled at a standard gas well location 660 feet from the North and East lines (Unit A) of said Section 3. Said unit is located approximately 4.5 miles northeast of Jal, New Mexico.

CASE 10149: (Continued from November 28, 1990, Examiner Hearing.)

Application of Meridian Oil Inc. on behalf of Southland Royalty Company for dual completion and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, of the above-styled cause, seeks authorization to dually complete its existing Cain Well No. 3-R, located 1610 feet from the South line and 810 feet from the East line (Unit I) of Section 30, Township 29 North, Range 9 West, in both the Blanco-Mesaverde Pool and Basin-Fruitland Coal Gas Pool, Lots 8 through 15 (S/2 equivalent) of said Section 30 to be dedicated to both zones forming a 268.42-acre gas spacing and proration unit. Further, said well is located at an unorthodox coal gas well location, pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, in which the applicant requests approval. Said unit is located approximately 2 miles south-southeast of Blanco, New Mexico.

CASE 10150: (Continued from November 28, 1990, Examiner Hearing.)

Application of Meridian Oil Inc. for dual completion and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authorization to dually complete its San Juan Well No. 20A, located 850 feet from the North line and 1100 feet from the West line (Unit E) of Section 35, Township 29 North, Range 9 West, in both the Blanco-Mesaverde Pool and Basin-Fruitland Coal Gas Pool, the W/2 of said Section 35 to be dedicated to both zones forming a standard 320-acre gas spacing and proration unit. Further, said well is located at an unorthodox coal gas well location, pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, in which the applicant requests approval. Said unit is located approximately 5 miles southeast of Blanco, New Mexico.

CASE 10182: Application of Meridian Oil, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox coal gas well location for its existing Angel Peak "B" Well No. 44 located 485 feet from the North line and 2310 feet from the West line (Unit C) of Section 24, Township 28 North, Range 11 West, Basin-Fruitland Coal Gas Pool, the N/2 of said Section 24 to be dedicated to the subject well forming a standard 320-acre gas spacing and proration unit for said pool. Said well is located approximately 4.5 miles south-southeast of Bloomfield, New Mexico.

CASE 10183: Application of Meridian Oil, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox coal gas well location for the existing Union Texas Petroleum Corporation Angel Peak "B" Well No. 31 located 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 25, Township 28 North, Range 11 West, the W/2 of said Section 25 to be dedicated to the subject well forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 5.5 miles south by east of Bloomfield, New Mexico.

CASE 10184: Application of Lewis B. Burlison, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SW/4 NW/4 of Section 22, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent which presently includes but is not necessarily limited to the Langlie-Mattix Pool, said unit to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles east of Jal, New Mexico.

Dockets No. 1-91 and 2-91 are tentatively set for January 10, 1991 and January 24, 1991. Applications for hearing must be filed at least 22 days in advance of hearing date:

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 19, 1990

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Michael E. Stogner, Examiner, or David R. Catanach or Jim Morrow, Alternate Examiners:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for January, 1991, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for January, 1991, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 10146: (Continued from November 28, 1990, Examiner Hearing.)

Application of Giant Exploration & Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool, underlying Lots 1 and 2, the S/2 NE/4, and the SE/4 (E/2 equivalent) of Section 5, Township 25 North, Range 12 West, forming a standard 319.92-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 equivalent of said Section 5. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in the drilling of said well. Said unit is located approximately 7.75 miles west by south of the B.I.A. Huerfano Community School.

CASE 10176: Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the North line and 1650 feet from the West line (Unit C) of Section 33, Township 22 South, Range 26 East, to test the Morrow formation, in the Undesignated South Carlsbad-Morrow Gas Pool, or Undesignated Happy Valley-Morrow Gas Pool, the N/2 of said Section 33 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool(s). The proposed well site is located approximately 6 miles southwest of Carlsbad, New Mexico.

CASE 10154: (Continued from November 14, 1990, Examiner Hearing.)

Application of Greenhill Petroleum Corporation for waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Lovington San Andres Unit Waterflood Project, Lovington-San Juan Andres Pool, located in Townships 16 and 17 South, Ranges 36 and 37 East, by converting 18 producing wells into water injection wells. Said project area is located approximately 6 miles south-southeast of Lovington, New Mexico.

CASE 10177: Application of BTA Oil Producers for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its JV-P Pardue "C" Well No. 1 to be drilled 611 feet from the South line and 1504 feet from the West line (Unit M) of Section 11, Township 23 South, Range 28 East, to test the Delaware formation, East Loving-Delaware Pool. The SE/4 SW/4 of said Section 11 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit for said pool. Said unit is located approximately 3 miles northeast of Loving, New Mexico.

CASE 10178: Application of Nearburg Producing Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 16, Township 18 South, Range 25 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre gas spacing which presently includes, but is not necessarily limited to, the Undesignated Richard Knob Atoka-Morrow Gas Pool, Undesignated Penasco Draw-Atoka Gas Pool and Undesignated Eagle Creek-Strawn Gas Pool. Said unit is to be dedicated to the proposed Ewing State Well No. 1 located at a standard gas well location 1980 feet from the North and West lines (Unit F) of said Section 16. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 10.5 miles northwest of Lakewood, New Mexico.

CASE 10179: Application of Stevens Operating Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation, Twin Lakes-Devonian Pool, in the perforated intervals from 7211 feet to 7405 feet (7211 feet to 7245 feet and 7392 feet to 7405 feet) in its O'Brien "C" Well No. 9 located 1870 feet from the North line and 80 feet from the West line (Unit E) of Section 1, Township 9 South, Range 28 East. Said well is located approximately 18 miles east of the Bitter Lake National Wildlife Refuge.

CASE 10167: Application of BTA Oil Producers for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill from its existing Pardue "C" 8808 JV-P Well No. 1 located at a previously approved unorthodox surface location (Division Order No. R-9147, as amended) 176 feet from the South line and 1550 feet from the West line (Unit N) of Section 11, Township 23 South, Range 28 East, in such a manner as to bottom the well in the Undesignated East Loving-Delaware Pool at a standard bottomhole location within 50 feet of a point 660 feet from the South line and 1980 feet from the West line of said Section 11. Said unit is located approximately 1/4 mile southwest of the Harroun Dam.

~~CASE 10168:~~ (Continued from November 14, 1990, Examiner Hearing.)

Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ellenburger formation, underlying the S/2 of Section 32, Township 20 South, Range 37 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, said unit to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in the drilling of said well. Said unit is located approximately 2 miles north-northwest of Oil Center, New Mexico.

CASE 10168: Application of Pacific Enterprises Oil Company, USA for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below the top of the Wolfcamp formation underlying the E/2 of Section 16, Township 17 South, Range 31 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Fren-Pennsylvanian Gas Pool, said unit to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in the drilling of said well. Said unit is located approximately 6.5 miles west by south of Maljamar, New Mexico.

CASE 10169: Application of Pacific Enterprises Oil Company, USA for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below the top of the Wolfcamp formation underlying the S/2 of Section 21, Township 19 South, Range 28 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated South Millman-Atoka Gas Pool, Undesignated Winchester-Atoka Gas Pool, Undesignated Millman-Morrow Gas Pool and Undesignated Winchester-Morrow Gas Pool, said unit to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in the drilling of said well. Said unit is located approximately 11 miles east of Lakewood, New Mexico.

CASE 10149: (Continued from November 14, 1990, Examiner Hearing.)

Application of Meridian Oil Inc. on behalf of Southland Royalty Company for dual completion and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authorization to dually complete its existing Cain Well No. 3-R, located 1610 feet from the South line and 810 feet from the East line (Unit I) of Section 30, Township 29 North, Range 9 West, in both the Blanco-Mesaverde Pool and Basin-Fruitland Coal Gas Pool, Lots 8 through 15 (S/2 equivalent) of said Section 30 to be dedicated to both zones forming a 268.42-acre gas spacing and proration unit. Further, said well is located at an unorthodox coal gas well location, pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, in which the applicant requests approval. Said unit is located approximately 2 miles south-southeast of Blanco, New Mexico.

CASE 10150: (Continued from November 14, 1990, Examiner Hearing.)

Application of Meridian Oil Inc. for dual completion and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authorization to dually complete its San Juan Well No. 20A, located 850 feet from the North line and 1100 feet from the West line (Unit E) of Section 35, Township 29 North, Range 9 West, in both the Blanco-Mesaverde Pool and Basin-Fruitland Coal Gas Pool, the W/2 of said Section 35 to be dedicated to both zones forming a standard 320-acre gas spacing and proration unit. Further, said well is located at an unorthodox coal gas well location, pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, in which the applicant requests approval. Said unit is located approximately 5 miles southeast of Blanco, New Mexico.

CASE 10170: Application of Meridian Oil Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 7, Township 27 North, Range 10 West, forming a standard 332.92-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 equivalent of said Section 7. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in the drilling of said well. Said unit is located approximately 8.5 miles south-southeast of Bloomfield, New Mexico.

DOCKET NO. 34-90

Dockets Nos. 35-90 and 1-91 are tentatively set for December 19, 1990 and January 10, 1991. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 28, 1990

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Jim Morrow, Examiner, or Michael E. Stogner or David R. Catanach, Alternate Examiners:

CASE 10146: (Continued from November 14, 1990, Examiner Hearing.)

Application of Giant Exploration & Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool, underlying Lots 1 and 2, the S/2 NE/4, and the SE/4 (E/2 equivalent) of Section 5, Township 25 North, Range 12 West, forming a standard 319.92-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 equivalent of said Section 5. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in the drilling of said well. Said unit is located approximately 7.75 miles west by south of the B.I.A. Huerfano Community School.

CASE 10137: (Readvertised)

Application of C. W. Trainer for directional drilling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill from its existing Harris Federal Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 5, Township 22 South, Range 34 East, in such a manner as to bottom the well in the Undesignated Grama Ridge-Morrow Gas Pool at a target point that is no closer to the South and East lines of said Section 5 than 660 feet, which is an unorthodox gas well location for said pool. Lots 1 and 2, S/2 NE/4, and SE/4 (E/2 equivalent) of said Section 5 is to be dedicated to said well forming a 321.58-acre gas spacing and proration unit for said pool. Said unit is located approximately 19 miles west by south of Eunice, New Mexico.

CASE 10145: (Continued from November 14, 1990, Examiner Hearing.)

Application of Yates Petroleum Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Avalon-Delaware Pool including a provision for a gas-oil ratio limitation of 7,500 cubic feet of gas per barrel of oil. Said pool is located in all or portions of Sections 25 and 36, Township 20 South, Range 27 East and Sections 19, 28, 29, 30, 31 and 32, Township 20 South, Range 28 East, which is located approximately 8 miles north of Carlsbad, New Mexico.

CASE 10130: (Continued from November 14, 1990, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its Spanish Dagger "AID" Com Well No. 1 to be drilled 660 feet from the South line and 725 feet from the West line (Unit M) of Section 12, Township 20 South, Range 24 East, to test the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool, the S/2 of said Section 12 to be dedicated to said well forming a standard 320-acre oil spacing and proration unit for said pool. Said unit is located approximately 7 miles west by south of Seven Rivers, New Mexico.

CASE 10132: (Continued from November 14, 1990, Examiner Hearing.)

Application of Yates Petroleum Corporation for an exception to Division General Rule 303.A., Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Division General Rule 303.A. whereby perforated intervals in both the Wolfcamp formation and the South Dagger Draw-Upper Pennsylvanian Associated Pool would be allowed to remain in communication in the wellbore of its Hillview AHE Com Well No. 3 located 660 feet from the South line and 1980 feet from the West line (Unit M) of Section 23, Township 20 South, Range 24 East, being located approximately 8.5 miles west-southwest of Seven Rivers, New Mexico. FURTHERMORE, the applicant at the time of the hearing shall be prepared to show cause why the Wolfcamp interval in said well should not be properly plugged off and abandoned.

CASE 10166: Application of Nearburg Producing Company for directional drilling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill from its existing Western State 17-F Well No. 1 located at a previously approved unorthodox surface oil well location (NSL-2855 dated August 30, 1989) 2130 feet from the North and West lines (Unit F) of Section 17, Township 16 South, Range 37 East, in such a manner as to bottom the well in the Northeast Lovington-Pennsylvanian Pool at an unorthodox bottomhole location within 50 feet of a point 1980 feet from the North line and 2300 feet from the West line of said Section 17. Said unit is located approximately 5.5 miles east by south of Lovington, New Mexico.

CASE 10152: (Continued from November 14, 1990, Examiner Hearing.)

Application of Nearburg Producing Company for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated North Osudo-Morrow Gas Pool, underlying all of Section 30, Township 19 South, Range 36 East, forming a non-standard 631.76-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in the drilling of said well. Said unit is located approximately 5 miles south-southwest of Arkansas Junction, New Mexico.

CASE 10066: (Continued from October 31, 1990, Examiner Hearing.)

Application of Matador Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation or to a depth of 13,600 feet, whichever is deeper, underlying the following described acreage in Section 5, Township 20 South, Range 34 East, and in the following manner: Lots 3 and 4, the S/2 NW/4, and SW/4 (W/2 equivalent) to form a standard 320-acre, more or less, gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the Undesignated Quail Ridge-Morrow Gas Pool); Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) to form a standard 160-acre, more or less, gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the SW/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the Undesignated South Quail Ridge-Bone Spring Pool). Said units are to be dedicated to a single well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit underlies the area underneath Mile Marker No. 77 on U.S. Highway 62/180.

CASE 10151: Application of Hal J. Rasmussen Operating, Inc. to amend Division Order No. R-9073, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Paragraph No. (7) in Exhibit "A" of Division Order No. R-9073 by the deletion of 40 acres comprising the SE/4 SW/4 (Unit N) of Section 9 from the existing 440-acre non-standard gas spacing and proration unit, thereby resulting in the formation of a 400-acre non-standard gas spacing and proration unit comprising the SW/4 of Section 4 and the N/2 NW/4, SW/4 NW/4, N/2 SW/4, and SW/4 SW/4 of Section 9, all in Township 23 South, Range 36 East, Jalmat Gas Pool. Said unit is located approximately 10 miles southwest of Eunice, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE 10152: Application of Nearburg Producing Company for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated North Osudo-Morrow Gas Pool, underlying all of Section 30, Township 19 South, Range 36 East, forming a non-standard 631.76-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in the drilling of said well. Said unit is located approximately 5 miles south-southwest of Arkansas Junction, New Mexico.

CASE 10153: Application of Chevron U.S.A. Inc. to reinstate Order No. R-4224 and for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to reinstate Division Order No. R-4224 which authorized a 320-acre non-standard Eumont gas spacing and proration unit comprising the S/2 N/2 and N/2 S/2 of Section 29, Township 20 South, Range 37 East and had dedicated thereto its A.B. Reeves Wells Nos. 1 and 2 located in Units L and E, respectively. Applicant further seeks to simultaneously dedicate Eumont Gas Pool production from its A.B. Reeves Well No. 3 located at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 29 with production from both the A.B. Reeves Wells Nos. 1 and 2 to said unit. Also, the applicant requests that previous Division Administrative Orders MSP-1408 and 1473(SD) be rescinded at this time. Said unit is located approximately 3 miles north by west of Oil Center, New Mexico.

CASE 10154: Application of Greenhill Petroleum Corporation for waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Lovington San Andres Unit Waterflood Project, Lovington-San Andres Pool, located in Townships 16 and 17 South, Ranges 36 and 37 East, by converting 18 producing wells into water injection wells. Said project area is located approximately 6 miles south-southeast of Lovington, New Mexico.

CASE 10155: Application of Union Oil Company of California for determination of permanent allocation of downhole commingled production and for the amendment of Division Order No. R-6375, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-6375, as amended, by determining the proper permanent allocation of production from the Basin-Dakota and Largo-Gallup Pools for its Rincon Unit Well No. 164 located 1840 feet from the South line and 1090 feet from the West line (Unit L) of Section 2, Township 26 North, Range 7 West, which is approximately 21.25 miles southeast of Blanco, New Mexico.

CASE 10156: Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ellenburger formation, underlying the S/2 of Section 32, Township 20 South, Range 37 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, said unit to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in the drilling of said well. Said unit is located approximately 2 miles north-northwest of Oil Center, New Mexico.

CASE 10116: (Continued from October 31, 1990, Examiner Hearing.)

Application of BTA Oil Producers for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to directionally drill its proposed Pardue "C", 8808 JV-P Well No. 1-Y from a surface location 611 feet from the South line and 1504 feet from the West line (Unit N) of Section 11, Township 23 South, Range 28 East, to a standard bottomhole oil well location in the Undesignated East Loving-Delaware Pool. Said well is to be dedicated to the 40-acre oil spacing and proration unit comprising the SE/4 SW/4 of said Section 11, which is located approximately 1/4 mile southwest of the Harroun Dam.

CASE 10157: Application of Grand Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Atoka Formation underlying the E/2 SE/4 of Section 10, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which includes, but is not necessarily limited to the Humble City-Strawn and Undesignated Humble City-Atoka Pools. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in the drilling of said well. Said unit is located approximately 3.5 miles north by west of Humble City, New Mexico.

CASE 10158: Application of Morgan Richardson Operating Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the N/2 of Section 17, Township 28 North, Range 8 West, forming a standard 320-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 17. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in the drilling of said well. Said unit is located approximately 8 miles east-southeast of Blanco, New Mexico.

CASE 10159: Application of Morgan Richardson Operating Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the S/2 of Section 17, Township 28 North, Range 8 West, forming a standard 320-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 of said Section 17. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in the drilling of said well. Said unit is located approximately 8 miles southeast by south of Blanco, New Mexico.

CASE 10160: (This case will be dismissed.)

Application of Bannon Energy Inc. for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Federal 31 Well No. 4 to be drilled 1286 feet from the North line and 129 feet from the East line (Unit A) of Section 31, Township 24 North, Range 7 West, the NE/4 NE/4 of said Section 31 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for said pool. Said unit is located approximately 7.5 miles east of Nageezi, New Mexico.

CASE 10127: (Readvertised) (Continued from October 31, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. & Associates, Inc. for a non-standard oil proration unit, horizontal directional drilling project, and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in Lots 2 and 3, S/2 NW/4, and SW/4 (W/2 equivalent) of Section 6, Township 20 North, Range 2 West, forming a non-standard 297.79-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA Johnson "6" Well No. 14 to be located on the surface 500 feet from the South line and 2100 feet from the West line (Unit M) of said Section 6, drill vertically and kick-off in a northwesterly direction, build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit. Said project area is located approximately 7.5 miles west by south of Cuba, New Mexico.

CASE 10128: (Readvertised) (Continued from October 31, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. and Associates, Inc. for a horizontal directional drilling project and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in the W/2 of Section 12, Township 20 North, Range 3 West, forming a standard 320-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA San Isidro "12" Well No. 16 to be located on the surface 1200 feet from the South line and 1800 feet from the West line (Unit M) of said Section 12, drill vertically and kick-off in a northwesterly direction, build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit. Said project area is located approximately 9 miles west-southwest of Cuba, New Mexico.

CASE 10129: (Readvertised) (Continued from October 31, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. and Associates, Inc. for a non-standard oil proration unit, horizontal directional drilling project, and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in Section 13, Township 20 North, Range 3 West, forming a non-standard 640-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA San Isidro "13" Well No. 14 to be located on the surface 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 13, drill vertically and kick-off in a northwesterly direction, build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit and for special allowable provisions for the proposed double sized oil proration unit. Said project area is located approximately 9.5 miles west-southwest of Cuba, New Mexico.